

The City Council met in adjourned session at the hour of 8:37 a.m. in the Council Chamber, City Hall, on the day above written for the continued hearing on the City of Fresno FY12 Budget. Present were Councilmembers Baines, Borgeas, Olivier, Quintero, Xiong, Westerlund, President Brand, City Manager Scott, Assistant City Manager Rudd, City Attorney Sanchez, City Clerk Klisch, Assistant City Clerk Salazar, Budget Director Smith and appropriate staff.

(8:30 A.M.) CONTINUED HEARING ON THE CITY OF FRESNO FY 2012 BUDGET

President Brand led the Pledge of Allegiance and reopened the public hearing.

MAYOR/CITY MANAGER OFFICES

City Manager Scott presented the Mayor/City Manager Office Budget which consisted of Office Structure, Operational Goals and Good News for the Mayor's Office, City Manager's Office and Office of Independent Review, Budget Balancing Strategies, and the 2012 Work Plan, all as contained in the written handouts submitted, and responded to questions of President Brand on Mayor's office staffing.

Charles Hudiburgh, 1814 W. Pontiac, spoke to the importance of facts and the need for all to work together and take the same shared sacrifices; and Anni Rinni, Call Center representative, spoke in support of the Call Center stating it provided good customer service and was a great tool.

Councilmember Xiong stated he was opposed to the elimination of the Call Center expanding on the role that it plays and added it took a tremendous load from his office which averages over 1,000 calls a year, and presented numerous questions on the Call Center including total savings if eliminated, if one-half of its funding comes from enterprise funds, separation/tracking of council district calls, numerous questions on tracking process/focus/abilities, the exchange service/access to translation service/language capacity/quality of language capacity, employee translators/access to contact list/persons, the 2-1-1 and 3-1-1 systems, the Homeless Prevention Manager position/task/salary funding source/if a decision has been made on the position/importance of the position/transition to the District 3 office/reason for hesitation on having a full-time position, employee furloughs, the Purple PIPES Program and progress, **(2 – 0)**, effectiveness of the Office of Independent Review/the high community expectations, and the multiple roles being taken on by leaders/reasons/impact overall for the City, with Mr. Scott, Budget Director Smith, Deputy City Manager Zieba and Councilmember Baines responding and clarifying issues throughout. Councilmember Baines presented questions and comments relative to office accomplishments/highlights, ability of cities to turn around when the economy turns/perception of how the city of Fresno will emerge, why a Call Center line item was still shown in all departments, the contract with SMG/if there were sufficient incentives to break even/request for copy of the contract, and if other contracts needed to be re-negotiated due to changing times, with Mr. Scott responding throughout. Councilmember Baines commended Mr. Scott for his integrity, open door policy, and the job he was doing for the city.

Lengthy discussion continued with Ms. Zieba and Mr. Scott responding to comments and questions of Councilmembers Westerlund, Quintero and President Brand relative to reluctance to let the Call Center go, number of calls handled by the center, diversion rate, there being no savings by eliminating the center due to cost to answer calls being passed onto departments, desire to see a deeper analysis on the elimination of the Call Center/perceived savings/impacts/if there will be a net cost, relationship between the city manager and code enforcement, utilizing Council assistants for limited code enforcement opportunities, appreciation for the opportunity Council had to sit down with the mayor and city manager on budget priorities, budget savings and suggestions, staffing levels, commendation to staff for doing a great job, contract compliance **(3 – 0)**, Call Center/projected savings/cost per call/concurrence on cost passed on to departments to answer calls, progress of 3-1-1, support for looking into keeping the Call Center open, budget assumptions, budget gap/changes compounding that gap, thank you to staff who have voluntarily taken pay cuts, vehicle allowance, and consultant contracts/Council approval for contracts under \$50K worth exploring as a matter of policy. Councilmember Xiong spoke briefly to the budget assumptions/options and stated the only thing he agreed with that has come forth in discussions was that everyone was involved in the budget and it was going to take everyone to resolve it. Mr. Scott was thanked and there was no further discussion.

CITY COUNCIL

Budget Director Smith gave a brief overview of the proposed seven district budgets and the Council support budget, and responded to comments/questions of Councilmember Xiong relative to Council givebacks/commitments/things seen and not seen/things done in a quiet leadership role, the \$50K reduction that is proposed and included in this budget, hope that the reduction is not seen as an automatic inclusion, and the upcoming deliberations Council will engage in on what is out there, what they feel is important for their constituency, and how to best balance the budget. President Brand spoke briefly to line item details/charges that he reviewed and spoke to staff about, to proposed budget amounts, and to how each member will make their own decisions on how they want to spend their funds. There was no further discussion.

PARCS DEPARTMENT

ACM/Interim PARCS Director Rudd gave an overview of his department's budget which included Operation Goals, Good News, Revenue Picture, Strategies, and Capital Projects, all as contained in the written handout submitted.

Joan LeRoux, 224 E. Cambridge, expressed concern with the City's continued expenses at the Chaffee Zoo and explained, and questioned if City's costs/payments associated with the zoo master plan would be repaid by the new fiscal and if they were included in this budget.

RECESS – 10:55 A.M. – 11:08 A.M.

Continued speakers were Ms. LeRoux who concluded her comments; Charles Hudiburgh, who spoke to (1) parks being a need and necessity and (2) to the amount of inefficiencies still out there to be dealt with; and George Murillo, 4335 E. Union, who thanked Council for the activities afforded seniors in the past years **(4 – 0)**, spoke to efforts seniors have made to help cut/reduce costs, and urged Council to keep seniors in mind along with the importance of senior meals and centers.

Councilmembers Xiong and Baines presented comments and questions relative to commendation to Mr. Rudd and remaining staff for all the work they have been doing, parks being a quality of life issue, if "baby pools" were included in the budget, community centers north of McKinley, funding time lines, partnership efforts/actions with other centers and reason for the hesitation with Quigley, request staff find ways to leverage Kaiser's verbal commitment, correlation between the UAP and Proposition 84, success of the Adopt-a-Park Program and volunteers, events/activities on city property/security/cost recovery, capital projects and funding, status of Granite Park, request for historic and land value information on property at Dakota and Fruit, upcoming discussions on Chaffee Zoo issues, encouraging participation in the upcoming FUN golf tournament, graffiti problems at parks/plan to address/request for updates, deferred maintenance/park equipment replacement, the increased parks fees/what staff took from the community meeting held, grant dollars/uses/allocations, Go-Green partnerships, stadium special events/revenue numbers/strategies to meet the numbers, and Fulton Mall work/improvements/plans, with Mr. Rudd and City Manager Scott responding. Mr. Rudd and staff were thanked for all their hard work in these unprecedented times and there was no further discussion.

LUNCH RECESS – 12:00 NOON – 1:34 P.M.

DEVELOPMENT AND RESOURCE MANAGEMENT (DARM) DEPARTMENT

City Manager/Interim DARM Director Scott **(5 - 0)** reviewed the department's budget which consisted of Office Structure, Department Funding Sources, and Operational Goals and Good News, all as contained in the written handout submitted.

President Brand, Acting President Olivier and Councilmember Westerlund presented questions and comments relative to general plan update, requirements, and if most California cities do a ten year cycle, if the PIPES program was working, the integration of DCR into DARM, employees and titles, if Temporary Full-Time were considered staff, loss of positions, general fund subsidy last year, negative balances, time line for DARM to become a general fund department, developer fees/effective date, budget assumptions/worst case scenario/cut abilities, if adequate discussions have been held with the BIA on the fee increases, support for the code enforcement approach, when Mr. Scott will be able to phase out of the director role, general fund contributions to the department, number of other cities raising building permit fees, request for a workshop on PIPES, the department's length of time as an enterprise department and numerous questions/explanations on the shift of the department from enterprise to general fund including fees/structure/accounting issues/BIA issues/Proposition 218, beginning fund balance/shortfall carryover/basis for the shortfall/deficit,

(6 – 0), the old Figarden Community Planning Caltrans grant/collaborative planning/possibility of a maintenance agreement, and the Energy Efficiency and Conservation Block Grant and renewal, with Mr. Scott, Budget Director Smith, Chief Assistant City Attorney Hale, Assistant DARM Director Berghold and Sustainability Manager Oldham responding throughout. Mr. Scott was thanked and there was no further discussion.

BUDGET & MANAGEMENT STUDIES OFFICE (BMSD) AND COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Budget Director Smith reviewed the BMSD budget which consisted of Operations Goals, Good News, Fiscal Picture, and Strategies, and reviewed the CDBG budget which consisted of Program Goal and Fiscal Picture (Revenues and Appropriations – FY 2011 and FY 2012 Adopted and Proposed), all as contained in the written handouts submitted. Councilmember Xiong stated CDBG was an important area for him and he would be following up with staff to obtain more information, and commented additionally. Upon call, no one wished to be heard and there was no further discussion.

GENERAL CITY PURPOSE:

Budget Director Smith reviewed the GCP budget which consisted of Operations Goal, Good News, Fiscal Picture of the Retirement Office, Redevelopment Services, and Intergovernmental Relations, and Strategies of both Retirement Boards, the Retirement Administration Operating Budget, and the Redevelopment Services Division, all as contained in the written handout submitted. Ms. Smith responded briefly to questions/requests of Councilmember Baines relative to whether BMSD manages CDBG funds and request for a list of all city departments and all outside agencies who receive CDBG funds. There was no further discussion.

President Brand thanked Budget Director Smith and all city staff for all their hard work and for doing a very difficult job under very trying circumstances, and noted this budget hearing would continue on June 16th at 5:30 p.m. for a special public meeting on any budget issue and Council would return the week of June 20th for final budget deliberations.

ADJOURNMENT

There being no further business to bring before the City Council, the hour of 2:58 p.m. having arrived and hearing no objection, President Brand adjourned the Budget Hearing to Thursday, June 16, 2011, at 5:30 p.m.

Approved on the ____9th____ day of ____June_____, 2011.

_____/s/_____
Lee Brand, Council President

ATTEST: _____/s/_____
Yolanda Salazar, Assistant City Clerk